



**CREDIT  
INTELLIGENCE  
LIMITED**

Offering customised and  
cost-effective debt solutions

# **INVESTOR PRESENTATION**

Investor Road Show – October 2018

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**Credit Intelligence** is a leading diversified debt-restructuring business offering debtors and creditors customised and cost-effective debt solutions

## Established Business

1

**Established in Hong Kong** with a dominant position in that market and has worked with HSBC, Standard Chartered Bank, Bank of China and Citibank

2

**Underlying profit growth 8% year on year** with strong operating cash inflow of \$1.56 million (FY18)

3

**Experienced board** comprises of international insolvency, banking, legal experts

4

**Proven technology and service platforms** developed over the last 8 years, allows Company to scale the business at minimum cost

## Expansion into Australia, followed by other growth markets

1

**Clear plan to grow profitability** by entering the highly attractive Australian market (*Cor Cordis JV announced October 18, 2018*)

2

**Australia's favorable macro conditions** including household debt levels and rising interest rates attractive to Credit Intelligence's 'Counter Cyclical' business model

3

**Evaluating opportunities throughout Asia** to partner or acquire other personal insolvency businesses

# EXPERIENCED BOARD

## Jimmie Wong

**(CEO and Managing Director)** - Founder of Credit Intelligence, with over 20 years' experience as a leading Hong Kong insolvency lawyer. He also has provided legal advice in relation to cross-border takeovers and mergers, corporate finance, IPOs and foreign direct investment.

## Mel Ashton

**(Non-Executive Chairman)** - Over 37 years' experience as a chartered accountant, 25 years as an insolvency practitioner and turnaround specialist, and is currently a Director of Hawaiian Group and the Non-Executive Chairman of ASX-listed Venture Minerals Ltd. Mr Ashton is also the former president of Chartered Accountants Australia and New Zealand.

## King Wong

**(Executive Director - Head of Operations)** - Joined Credit Intelligence in 2002, holds a Bachelor of Laws degree (Honours) from the City University of Hong Kong and is a practising solicitor. Responsible for overall operations of the group.

## Krista Bates

**(Non-Executive Director)** - Over 15 years' experience as a legal practitioner and has advised on various insolvency and corporate matters, including acquisitions, disposals, joint ventures, takeovers, corporate governance and various high-profile insolvency cases.

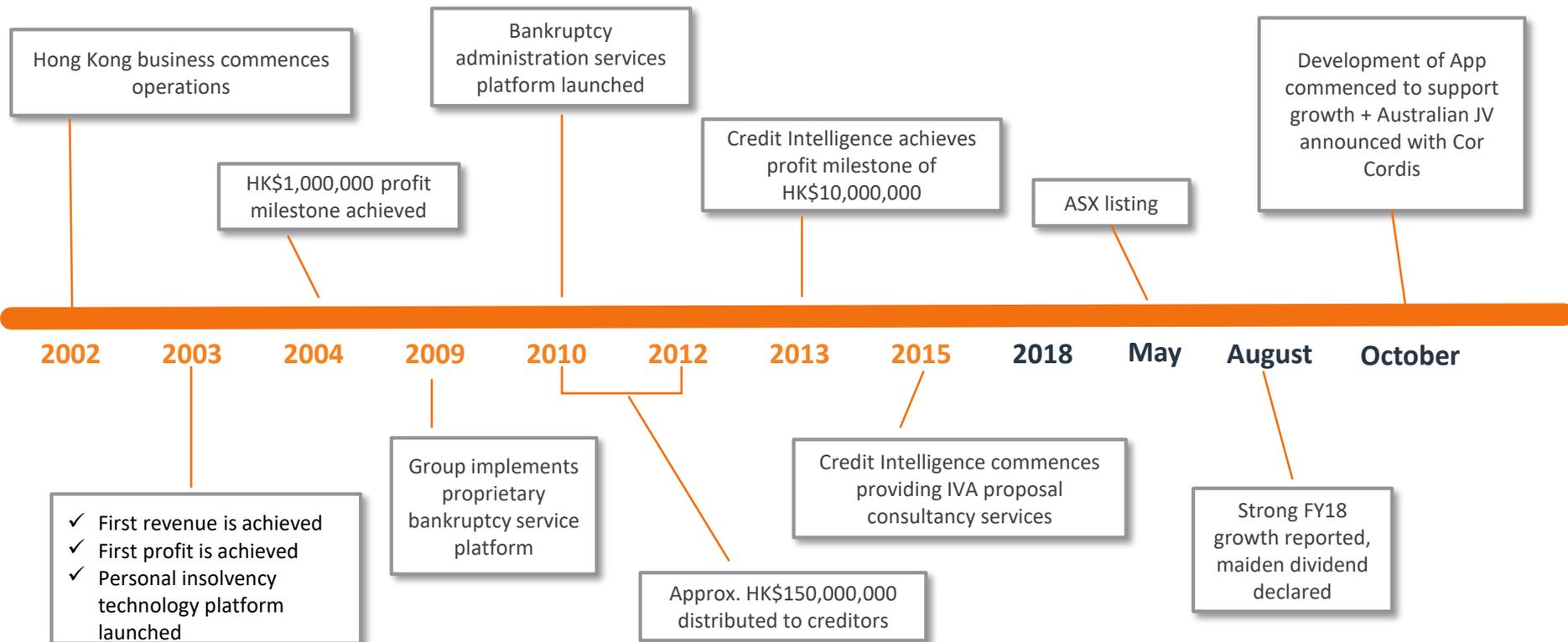
## Vincent Lai

**(Non-Executive Director)** - Over 30 years' experience in international banking and corporate finance to the Company, having previously been the senior executive at the PRC Office of Bank of America and the chairman of a Hong Kong-listed company.

## Tony Ho

**(Non-Executive Director)** - Experienced ASX company director across wide range of industries. He is a Chartered Accountant and a fellow of the Australian Institute of Company Directors and Governance Institute of Australia. Mr Ho is currently the Non-Executive Chairman of ASX-listed Greenland Minerals and Bioxyne Ltd, as well as NZAX listed Truscreen Limited.

# CORPORATE HISTORY



## Credit Intelligence's main business model includes:

### 1. Individual Voluntary Arrangement\*

- Average proposal fee of HK\$12,000 per case (~AUD\$2,000)
- Monthly administrative fee of HK\$200 (~AUD\$35), with average case duration of 60 months

### 2. Bankruptcy Administration Services

- A service offered to creditors in relation to bankrupts with estimated assets valued in excess of HK\$200,000 (~AUD\$33,333)
- For each dollar recovered from the bankrupt, Credit Intelligence can obtain up to 16% of the recovered assets value
- The Company can also obtain 1% distribution fee over any amount distributed to creditors
- Not less than HK\$30,000 (~AUD\$5,000) for each case (subject to available funds of the case)

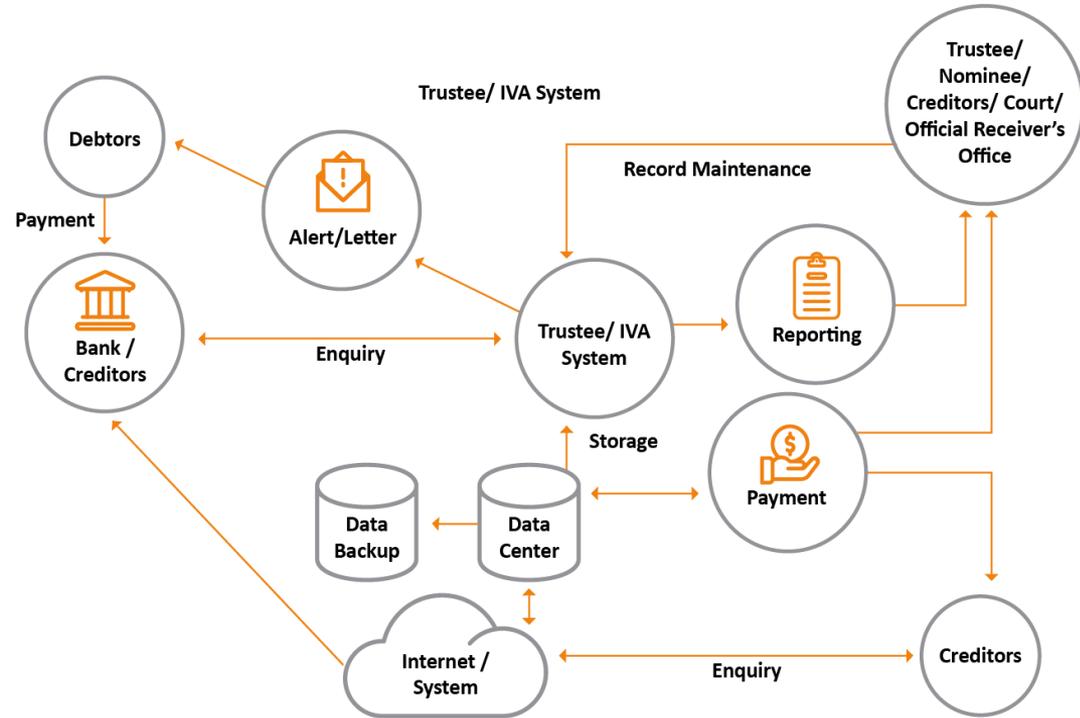
## Strong operational foundation, and favourable macro conditions assisting Credit Intelligence:

1. More than 10,000 bankruptcy cases under personal insolvency management, and the number of cases under management is growing strongly;
2. The Company's business in Hong Kong remains well managed by an experienced team;
3. Economic uncertainty in Asia arising from the tariff war between the US and China may lead to an increase in defaults in personal debt, which could benefit the debt restructuring and personal insolvency services offered by Credit Intelligence;
4. There is no major capital expenditure required for the Company's business activity in Hong Kong in the foreseeable future.



# DISRUPTIVE CASE MANAGEMENT PLATFORM

- ✓ Proven proprietary case management platform developed over an 8-year period allows for a high number of cases to be managed with minimal staff, thereby reducing direct labour costs and delivering greater efficiency
- ✓ Records case data and any variation to the repayment plan, with notification alerts
- ✓ Provides reporting features, including overdue payments, repayment progress, dividend distribution, and half-yearly / annual review
- ✓ Accessible by creditors, providing greater transparency
- ✓ Automates and streamlines dividend distribution process

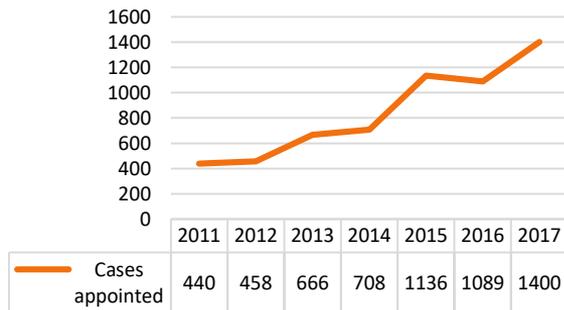


# TRACK RECORD OF PROFITABILITY

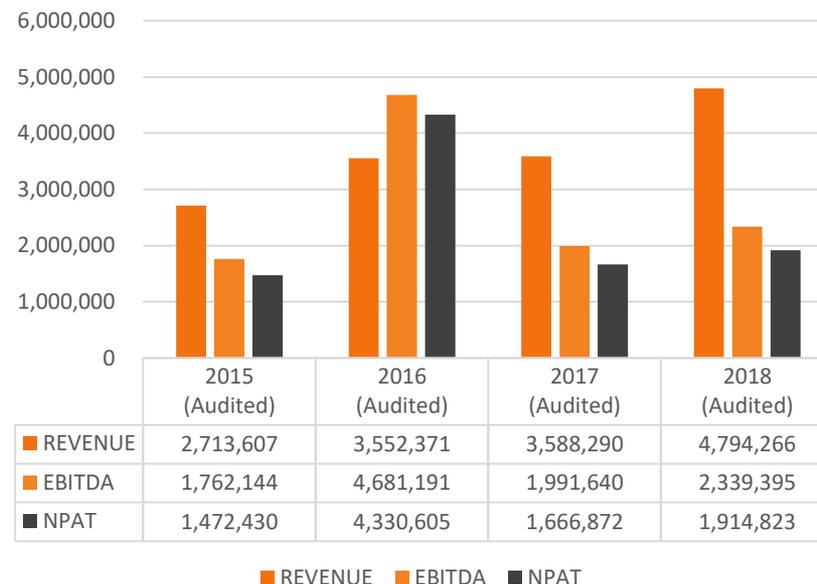
## Highly profitable Hong Kong business\*

- 2018 Jun REV A\$4.7m, EBITDA A\$2.3m, NPAT A\$1.9m
- 2017 Jun REV A\$3.7m, EBITDA A\$2.1m, NPAT A\$1.7m
- 2016 Mar REV A\$3.5m, EBITDA A\$4.6m, NPAT A\$4.3m
- 2015 Mar REV A\$2.7m, EBITDA A\$1.7m, NPAT A\$1.4m
- Net margin in excess of 50% on average
- Numbers of cases has grown 20% per annum on average since 2011

## Cases appointed 2011-2017:



## Excellent Historical Performance 2015-2018



\* Source: Investigating Accountants Report prepared by Moore Stephens for inclusion in Prospectus dated December 2017. 2016 figures include a A\$2.52m gain on change in shareholding of subsidiary. Average exchange rate during the period reported as follows: 31 Mar 15: \$HK1 = A\$0.1473; 31 Mar 16: \$HK1 = A\$0.1751; 31 Mar 17: \$HK1 = A\$0.1713; 30 Jun 18: \$HK1 = A\$0.1721 2018 figures do not include RTO cost A\$2..14m

# BALANCE SHEET SUMMARY

CURRENT ASSETS	2018 A\$	2017 A\$
Cash and cash equivalents	4,334,378	349,480
Trade and other receivables	252,782	903,584
Other current assets	131,092	112,380
<b>TOTAL CURRENT ASSETS</b>	<b>4,718,252</b>	<b>1,365,444</b>

# CASH FLOWS FROM OPERATING ACTIVITIES

The group reported an operating cash inflow for the year of A\$1,562,410, compared to A\$1,766,029 a year earlier. This reflected a continuing and strong cash generation from CIL's Hong Kong business.

	2018 A\$	2017 A\$
Receipts from customers	4,824,810	3,788,532
Payments to suppliers and employees	-2,798,273	-1,545,602
Interest received	-	-
Finance costs	-152,084	-146,938
Income tax refunded/(paid)	-312,043	-329,963
Net cash provided by (used in) operating activities	1,562,410	1,766,029

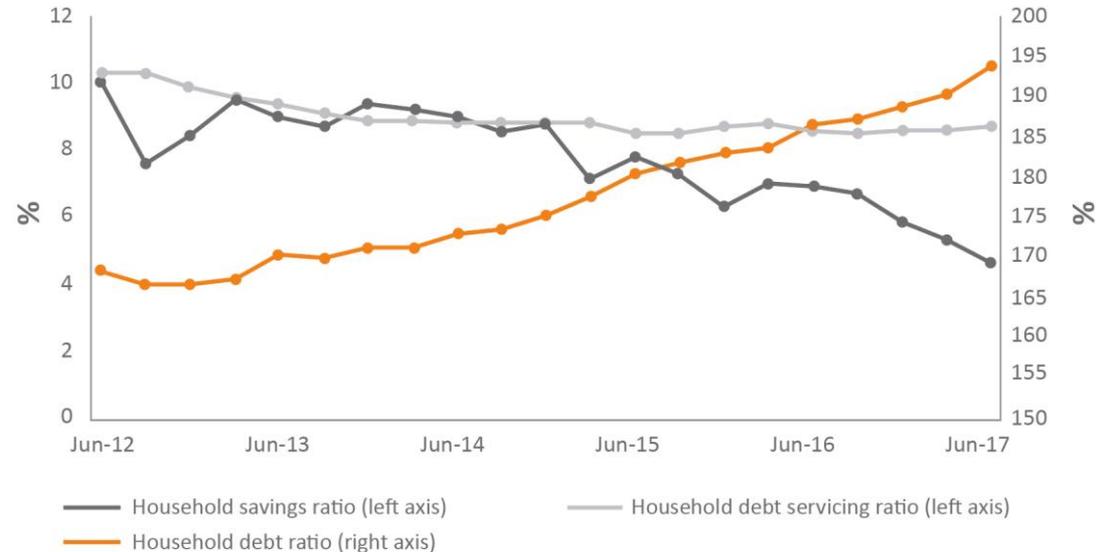
## DECLARATION OF Dividend

Consistent with the Group's Business and strong cash generation, the directors have declared an unfranked maiden dividend of **0.0012 cents** per share. The total dividend payment is A\$984,513. The dividend will be paid on Friday, 16 November 2018

# AUSTRALIAN MARKET OPPORTUNITY

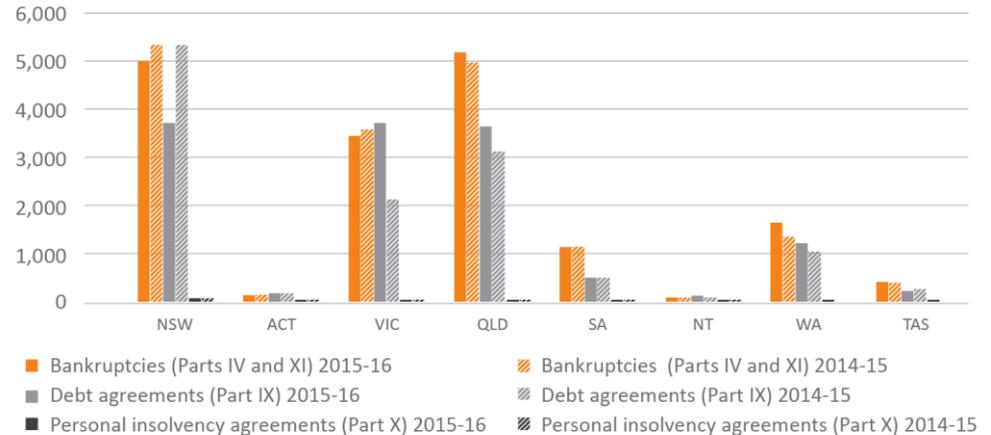
- **Record Household Debt** - Australian household debt reached an all-time high in June 2017 of 194% of yearly disposable income, including in excess of A\$1 trillion of mortgage debt
- **Historically Low Level of Wages Growth** - Australian consumers' wages are growing at historically low levels

## Household Debt and Household Saving Ratio



- **Growing Number of Personal Insolvency Cases** - Total personal insolvency appointments increased by 4.4% from 28,288 during the 2015 financial year to 29,527 for the 2016 financial year, with a total of 17,202 bankruptcies in the 2016 financial year, a rise of 0.2%, the first annual rise in bankruptcies seen since the 2009 financial year
- **Favourable Macro Conditions** - After an extended depressed period global interest rates are rising, placing additional pressure on household debt affordability

## Personal Insolvency types by State



# COR CORDIS STRATEGIC ALLIANCE IN AUSTRALIA

- **Strategic Alliance signed with national business advisory firm Cor Cordis in October 2018** – Cor Cordis is a leading provider of restructuring, turnaround and insolvency services throughout Australia with offices in **Sydney, Melbourne, Perth and Brisbane**
- **Alliance provides entry point into the Australian debt – restructuring market** – under the signed agreement, Credit Intelligence aims to commence operations in Australia within a period of three months
- **Credit Intelligence aims to replicate the benefits of its Hong Kong model in Australia** – Credit Intelligence’s case management platform will be used to help Cor Cordis grow the number of cases under management in its personal insolvency business
- *“The key benefit is we will be leveraging off Credit Intelligence’s Hong Kong business which is high volume and highly systemised, so it is low cost. It is expected that the significant cost savings from these initiatives will flow through to our clients”* **Daniel Juratowich, Partner – Cor Cordis**



# DEVELOPMENT OF APP TO SCALE OFFERING

- App will provide Credit Intelligence with **enhanced Fintech offering**, and improved experience for existing and new users (formal launch March 2019)
- **Development of app intended to achieve greater cost efficiencies and scalability** for the operations and client base of Credit Intelligence over time
- **The application will be developed in partnership with Hong Kong based AppTech, and is being designed to provide a number of benefits including but not limited to:**
  - Discreet booking of appointments online;
  - Ability to fill out information forms remotely;
  - Increased efficiencies for Credit Intelligence staff managing cases.

## Draft app wire frames



# ASX PEER COMPARISON

Company	ASX Code	Market Cap (\$m)	EV/ EBITDA (multiple)			
			FY15	FY16	FY17	FY18
Collection House	CLH	177	10.1	6.6	7.4	6.04
Credit Corp	CCP	930.3	9.7	8.3	10.5	8.83
Pioneer Credit	PNC	179	7.5	7.7	10.9	7.55
Credit Intelligence	CI1	16	9.5	3.3*	8.1	6.55

*\* On 14 May 2015, CI1 disposed of an aggregate 9% equity interest in its subsidiary Hong Kong Debt Management Services Limited. A gain on change in the shareholding of Hong Kong Debt Management Services Limited of A\$2,521,165 (HK\$14.4m) was recognized in the consolidated statements of comprehensive income during the year ended 31 March 2016.*

# CREDIT INTELLIGENCE EQUITY

## Shares on issue:

820.4 million

## Spread:

Australian Holders 24.75%

Overseas Holders 75.25%

## Trading high and low:

High (\$0.024 – mid August)

Low (\$0.007 – mid July)

## Total Holders: 527

## Top 5 Holders:

Jimmie Wong (47.8%)

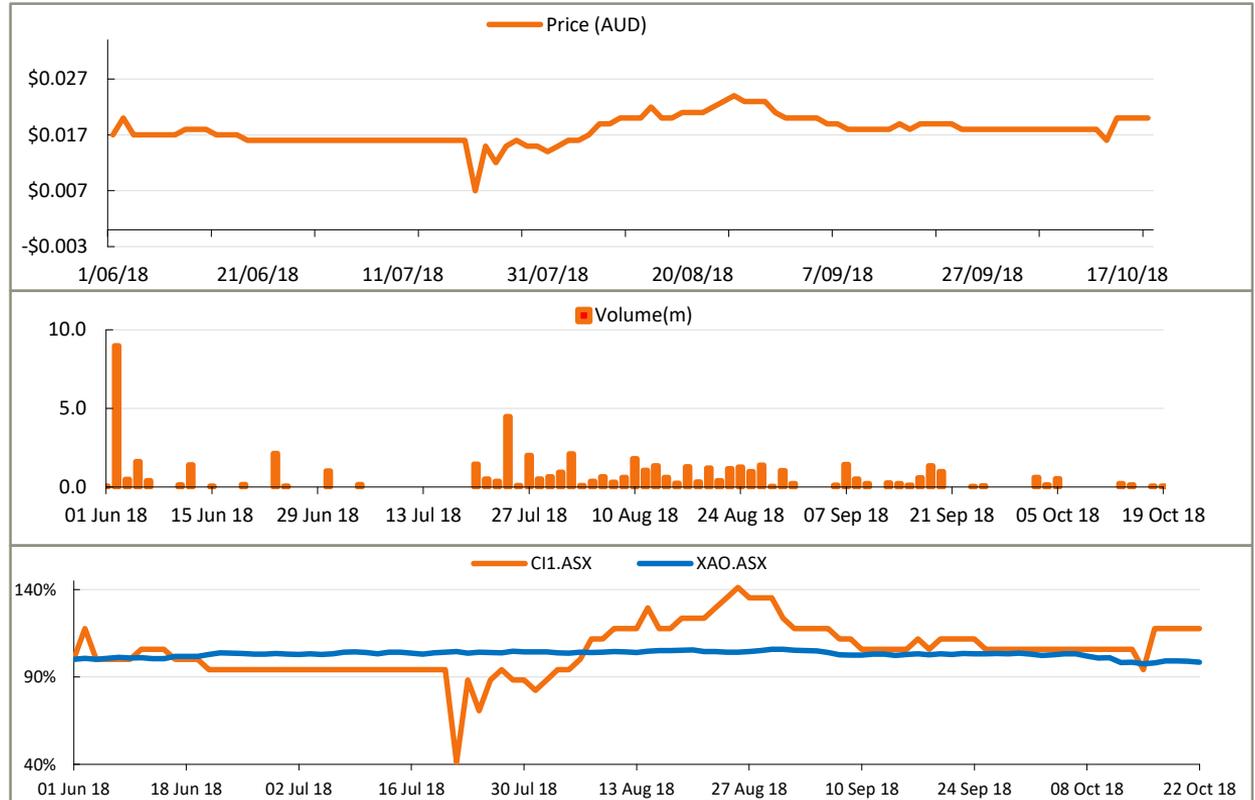
Advanced Assets Mmgt (7.69%)

BNP Paribas Noms Pty Ltd (6.03%)

BNP Paribas Noms Pty Ltd (5.18%)

Ms Kwan Yee Wan (4.22%)

## CI1 – ASX Price, Volume, All Ords comparison 2018



# WHY CREDIT INTELLIGENCE?

- ✓ Established business model with proven track record
- ✓ Disruptive case management platform provides a competitive advantage
- ✓ Significant market opportunity identified
- ✓ Experienced board and management
- ✓ Compelling valuation metrics
- ✓ Favorable macroeconomic conditions, and expansion into new markets



# COMPANY INFORMATION



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**Thank You – any  
questions?**